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ARIZONA CORPORATION COMMISSION DOCKET CONTROL CENTER

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		NATURE OF ACTION O	R DESCRIPTION OF DOCUMEN ☐
	01	Please mark the item that UTILITIES - NEW APPLICATIONS	describes the nature of the case/filing:
Ш	01	UTILITIES - NEW APPLICATIONS	MAIN EXTENSION SS W M
		NEW CC&N RATES INTERIM RATES CANCELATION OF CC&N DELETION OF CC&N (TERRITORY) EXTENSION OF CC&N (TERRITORY)	CONTRACT/AGREEMENTS COMPLAINT (Formal) RULE VARIANCE/WAIVER REQUEST SITING COMMITTEE CASE SMALL WATER COMPANY −SURCHARGE (Senate Bill 1252)
		TARIFF - NEW (NEXT OPEN MEETING) REQUEST FOR ARBITRATION (Telecommunication Act) FULLY OR PARTIALLY ARBITRATED	 SALE OF ASSETS & TRANSFER OF OWNERSHIP SALE OF ASSETS & CANCELLATION OF CC&N FUEL ADJUSTER/PGA MERGER
		INTERCONNECTION AGREEMENT (Telecom. Act.)	FINANCING MISCELLANEOUS PRELIMINARY STATEMENT OF POSITION S ON 14-POINT
		VOLUNTARY INTERCONNECTION AGREEMENT (Telecom. Act)	Specify CHECKLIST
	02	<u>UTILITIES - REVISIONS/AMENDI</u> PENDING OR APPROVED MATTE	
		APPLICATION COMPANY DOCKET NO.	TARIFF PROMOTIONAL DECISION NO. DOCKET NO. COMPLIANCE
			DECISION NO. DOCKET NO.
		SECURITIES or MISCELLANEOU	
		04 AFFIDAVIT 12 EXCEPTIONS 18 REQUEST FOR INTERVENTION 48 REQUEST FOR HEARING 24 OPPOSITION 50 COMPLIANCE ITEM FOR APPROVAL 32 TESTIMONY 30 COMMENTS	☐ 29 STIPULATION ☐ 38 NOTICE OF INTENT
		9/3/99	MCI WorldCom, Inc., Thomas F. Dixon
		Date	Print Name of Applicant/Company/Contact person/Respondent/Atty. 303.390.6202
			Phone

BEFORE THE ARIZONA CORPORATION CARL J. KUNASEK Chairman JIM IRVIN Commissioner	R SEP -7 P 3: CORP COMMISSIO	
WILLIAM A. MUNDELL Commissioner	r ≥ & &	
IN THE MATTER OF U S WEST COMMUNICATIONS, INC.'S COMPLIANCE WITH SECTION 271 OF THE DOCKET TELECOMMUNICATIONS ACT OF 1996 DOCKET	Γ NO. T-00000 6 -97-238	

MCI WORLDCOM'S PRELIMINARY STATEMENT OF POSITION REGARDING THE 14-POINT CHECKLIST AND ADDRESSING BIFURCATION OF HEARING

In accordance with the Procedural Order issued by the Commission on July 22, 1999, MCI WorldCom, Inc. ("MCIW"), on behalf of its regulated subsidiaries, submits its preliminary statement of position regarding U S WEST Communications, Inc.'s compliance with the competitive checklist contained in Section 271 of the Telecommunications Act of 1996 ("Act").

PRELIMINARY STATEMENT OF POSITION REGARDING THE 14-POINT CHECKLIST

CHECKLIST ITEM NO. 1: Interconnection in accordance with the requirements of Section 251(c)(2) and 252(d)(1).

Pursuant to Section 251(c)(2), U S WEST must provide interconnection for the transmission and routing of telephone exchange service at any technically feasible point in its network that is at least equal in quality to the interconnection provided to itself, any affiliate, subsidiary or any other party which U S WEST provides interconnection. Moreover, the rates, terms and conditions upon which U S WEST offers interconnection must be just, reasonable and nondiscriminatory, in accordance with the terms and conditions of the interconnection agreements and the requirements of Sections 251 and 252.

Pursuant to Section 251(c)(6), U S WEST has the duty to provide physical collocation for equipment necessary for interconnection at the premises of the local exchange carrier on rates,

terms and conditions that are just, reasonable and nondiscriminatory. U S WEST may provide virtual collocation if it demonstrates to the Arizona Corporation Commission that physical collocation is not practical for technical reasons or because of space limitations. Pursuant to Section 252(d)(1), rates for interconnection shall be 1) based on cost (determined without reference to a rate-of-return or other rate-based proceeding) of providing interconnection; 2) nondiscriminatory; and 3) may include a reasonable profit.

Response: U S WEST does not comply with the requirements of Checklist Item No. 1 because U S WEST does not allow interconnection at any technically feasible point. Under the Arizona interconnection agreements for MCIW subsidiaries, MCIW subsidiaries are entitled to interconnection at any technically feasible point, which includes at a minimum the six points identified in the FCC 1st Report and Order:1.) line-side of local switch, 2.) trunk-side of local switch, 3.) trunk interconnection points for a tandem switch, 4.) central office cross-connect points, 5.) out-of-band signaling transfer points necessary to exchange traffic at these points and access call-related databases, and 6.) the points of access to unbundled network elements.

MCIW subsidiaries are permitted to select the number and location of points of interconnection and can have as few as a single point of interconnection per LATA.

U S WEST has only provided the following points for interconnection between a collocation cage and a U S WEST Main Distribution Frame in Arizona:

- 1.) Common or Shared Single Point of Termination ("SPOT") frame
- 2.) Dedicated Single Point of Termination ("SPOT") frame
- 3.) Interconnect Distribution Frame ("ICDF").

U S West does not provision its own local service in the same manner it requires competitive local exchange carriers ("CLECs") to provision local service. While U S WEST may use intermediate frames to provide services to its end users, it requires CLECs to use an additional frame. The use of an additional frame adds additional points of failure for each connection and facility used to connect to and from the frame. It can cause degradation of

service because additional and longer cables are generally required with the additional frame and there are additional connecting points. The Common or Shared SPOT frame lacks proper security to ensure that no one tampers with circuits used by other carriers while the dedicated SPOT is more costly to the CLECs. As a result, the required use of a SPOT frame and ICDF is discriminatory and is not providing CLECs with interconnection services equal in quality to the service U S WEST provides itself at just and reasonable rates.

U S WEST has also failed to prove that it is providing interconnection services to MCIW affiliates at a level of quality at least equal to the level that it provides to itself. MCIW affiliates receive monthly performance reports entitled "U S WEST Communications CLEC Report for MCImetro (Brooks Fiber Properties, MFS InteleNet) –AZ". Those reports are provided as confidential information under the terms of the various interconnection agreements. The reports purportedly provide measures of Resale activities, LIS Trunks, Unbundled Loop, Interim Number Portability, Collocation, Billing, Systems, Center Access, and Network Performance. However, the reports frequently state "not applicable" or "under development" in the data columns for U S WEST or reflect that the data is "blocked out" for U S WEST and the aggregated CLECs. The effect of this type of reporting is that MCIW cannot determine if it is receiving service that is at a level of quality at least equal to the level that U S WEST provides to itself.

U S WEST has also failed to produce key performance measurement results data for the performance it provides to itself for interoffice transport circuits (*i.e.*, average installation interval, mean time to repair, percent installation commitments met).

Therefore, it is impossible for U S WEST to demonstrate that the interconnection performance it provides to CLECs is at least equal to the performance it provides to itself. In

addition, the rates established for interconnection services are arbitrary and do not comply with the requirements of the federal Telecommunications Act of 1996.

CHECKLIST ITEM NO. 2: Nondiscriminatory access to network elements in accordance with the requirements of Section 251(c)(3) and 252(d)(1).

Pursuant to Section 251(c)(3), U S WEST must provide nondiscriminatory access to network elements at any technically feasible point on rates, terms and conditions that are just, reasonable and nondiscriminatory, in accordance with the terms and conditions of the interconnection agreements and the requirements of Sections 251 and 252. U S WEST must also provide network elements in a manner that allows the requesting carrier to combine them to provide a finished telecommunications service.

Pursuant to Section 251(c)(6), U S WEST has the duty to provide physical collocation for equipment necessary for access to unbundled network elements at the premises of the local exchange carrier on rates, terms and conditions that are just, reasonable and nondiscriminatory. U S WEST may provide virtual collocation if it demonstrates to the Arizona Corporation Commission that physical collocation is not practical for technical reasons or because of space limitations.

Pursuant to Section 252(d)(1), rates for access to unbundled network elements shall be 1) based on cost (determined without reference to a rate-of-return or other rate-based proceeding) of providing network elements; 2) nondiscriminatory; and 3) may include a reasonable profit.

Response: U S WEST is not meeting the conditions of checklist item #2 for the following reasons:

- U S WEST is not providing nondiscriminatory access to network elements at any technically feasible point.
- 2) U S West does not provide CLECs access to network elements in the same manner it provides access to network elements for its own end user's.
- 3) U S West is not providing access to network elements in combination.

U S West provides CLECs access to network elements at the Interconnect Distribution Frame (ICDF) not at the Main Distribution Frame as utilized for its own customers.

After the U S Supreme Court issued its rulings regarding the 8th Circuit Court decisions, generally affirming the FCC rules on interconnection, Mr. Bruce Posey, on behalf of U S WEST,

sent a letter to the FCC stating that U S WEST would honor the provisions of the various interconnection agreements pending the FCC's action on Rule 51.319. Despite the assertions of Mr. Posey, U S WEST has refused to provide access to network elements in combination, a requirement of each and every MCIW subsidiaries' interconnection agreement. U S WEST has also not completed its "test assist process" for testing unbundled elements which will allow testing of combined network elements.

The same monthly performance reports discussed in response to Checklist Item No. 1 are provided to determine provisioning of unbundled network elements. The portion of the reports addressing UNEs frequently state "under development" or "not applicable" particularly in the data columns for U S WEST or reflect that the data is "blocked out" for U S WEST and the aggregated CLECs. In short, there is very little data that allows MCIW to determine if it is receiving service that is at a level of quality at least equal to the level that it provides to itself. Therefore, U S WEST cannot demonstrate that it is providing access to the unbundled network elements in a non-discriminatory manner. In addition, the rates established for UNEs are arbitrary and do not comply with the requirements of the federal Act.

U S WEST OSS do not provide nondiscriminatory access to UNEs or telecommunications services in general as described in MCIW's responses to U S WEST data requests, particularly U S WEST Data Request No. 22 and MCI WorldCom's response addressing the proposed collaborative process. MCIW will not repeat those arguments and statements here but incorporates them as if fully stated.

CHECKLIST ITEM NO. 3: Nondiscriminatory access to the poles, conduits and rights-of-way owned or controlled by U S WEST at just and reasonable rates in accordance with the requirements of Section 224.

Response: At this time, MCIW has no information associated with non-discriminatory access to poles, conduits and right-of-way owned or controlled by U S WEST to suggest U S West is or is not in compliance with this checklist item.

CHECKLIST ITEM NO. 4: Local loop transmission from the central office to the customer's premises, unbundled from local switching or other services.

Response: U S West does not comply with the requirements of Checklist Item No.4 as U S WEST does not provide unbundled loops at any technically feasible point and fails to provide loops of the same quality as those U S WEST uses to provide services to its own customers. U S WEST is also failing to provide local loop transmission in a nondiscriminatory manner to MCIW subsidiaries. MCImetro and U S WEST conducted resale and platform test trials in Arizona of unbundled loops in September 1997. U S WEST was unable to meet installation intervals established in the MCImetro interconnection agreement. Further, U S WEST was unable to properly and timely transfer test customers back to U S WEST at the conclusion of the residential test. (Also see MCIW's response to Question 4, Attachment B, in this docket.)

MCImetro also placed "alpha" unbundled loop orders from a MCImetro collocation site in Arizona to U S WEST. Of the orders placed, none met the Firm Order Commitment ("FOC") or the installation commitment dates. U S WEST has also refused to provide access to the complete loop, claiming that part of the loop is "inside wire."

Since the unbundled loop is a network element, there is very little data that allows MCIW determine if it is receiving unbundled loops in a manner that is at a level of quality at least equal

to the level that U S WEST provides to itself. The monthly service reports MCIW receives from U S WEST are inadequate.

U S WEST has also failed to provide MCIW with adequate and detailed business rules and processes which are necessary to support the pre-ordering, ordering, provisioning, maintenance and billing of DSL capable loops.

CHECKLIST ITEM NO. 5: Local transport from the trunk side of U S WEST's switch unbundled from switching or other services.

Response: U S WEST has failed to comply with the checklist item #5 requirement that it offer non-discriminatory access to local transport. MCImetro has placed 10 unbundled dedicated transport orders in Arizona with U S WEST. The average number of days for MCImetro to receive a firm order commitment ("FOC") was seven days, and the average number of days a scheduled installation date was received was twenty-two days. Since local transport is a network element, there is very little data that allows MCIW determine if it is receiving local transport in a manner that is at a level of quality at least equal to the level that U S WEST provides to itself. The monthly service reports MCIW receives from U S WEST are inadequate. (Also see MCIW's response to Question 5, Attachment B in this docket.)

CHECKLIST ITEM NO. 6: Local switching unbundled from transport, local loop transmission, or other services.

Response: U S WEST has failed to comply with the checklist item #6 requirement of nondiscrimination in its offering of unbundled switching for several reasons. U S WEST has failed to provide the business processes for ordering unbundled switch elements and does not contemplate doing so until it issues its Technical Publication release in October 1999. U S WEST has also refused to provide MCImetro with code conversion. Code conversion involves a change within the routing table of the switch. The FCC in its Local Competition Third

Reconsideration Order has said that U S WEST must provide access to the routing tables contained within U S WEST's switch.

Since unbundled switching is a network element, there is very little data that allows MCIW determine if it is receiving unbundled switching in a manner that is at a level of quality at least equal to the level that U S WEST provides to itself. The monthly service reports MCIW receives from U S WEST are inadequate. (Also see MCIW's response to Question 6, Attachment B, in this docket.)

CHECKLIST ITEM NO. 7: Nondiscriminatory access to 1) 911 and E911 services; 2) directory assistance services to allow the other carrier's customers to obtain telephone numbers; and 3) operator call completion services.

Response: U S WEST has been unwilling to provide independent telephone company ("ITC") listings for certain ITCs that U S WEST uses in its databases. With this possible exception, at this time MCIW has no other information to suggest that U S WEST is not in compliance with this checklist item now.

CHECKLIST ITEM NO. 8: White pages directory listings for customers of the other carrier's telephone exchange service.

Response: At this time, MCIW has no information to suggest that U S WEST is or is not in compliance with this checklist item.

CHECKLIST ITEM NO. 9: Nondiscriminatory access to telephone numbers and compliance with numbering administration guidelines, plans or rules.

Response: U S WEST has failed to properly load MCIW's NPA/NXX codes into its Arizona switches in a timely manner. As a result, U S WEST customers have not been able to complete calls to MCIW customers until the NPA/NXX codes were properly loaded into the U S WEST switches. U S WEST has also failed to provide MCIW with timely notice when it has properly loaded MCIW's NPA/NXX codes.

CHECKLIST ITEM NO. 10: Nondiscriminatory access to databases and associated signaling necessary for call routing and completion.

Response: At this time, MCIW has no information to suggest that U S WEST is or is not in compliance with this checklist item.

CHECKLIST ITEM NO. 11: Interim number portability through remote call forwarding, direct inward dialing trunks or other comparable arrangements, with as little impairment of functioning, quality, reliability and convenience as possible, and provision of long term number portability in full compliance with the Federal Communications Commission's regulations.

Response: MCIW has had conversion problems with interim local number portability.

CHECKLIST ITEM NO. 12: Nondiscriminatory access to such services or information as are necessary to allow the requesting carrier to implement local dialing parity in accordance with the requirements of Section 251(b)(3). Pursuant to Section 251(b)(3), U S WEST must provide dialing parity to competing providers of telephone exchange service and telephone toll service and permit all such providers to have nondiscriminatory access to telephone numbers, operator services, directory assistance and directory listing, with no unreasonable dialing delays.

Response: At this time, MCIW has no information to suggest that U S WEST is or is not in compliance with this checklist item.

CHECKLIST ITEM NO. 13: Reciprocal compensation arrangements for the transport and termination of telecommunication in accordance with the requirements of Section 252(d)(2). Pursuant to Section 252(d)(2), the rates, terms and conditions for reciprocal compensation shall not be considered just and reasonable unless the terms and conditions provide for mutual and reciprocal recovery of costs associated with transport of termination of calls and such terms and conditions determine such costs on the basis of a reasonable approximation of the additional costs of terminating such calls.

Response: U S WEST is failing to pay MCIW reciprocal compensation due in Arizona.

CHECKLIST ITEM NO. 14: Telecommunications services are available for resale in accordance with the requirements of Sections 251(c)(4) and 252(d)(3).

Pursuant to Section 251(c)(4), U S WEST must provide for resale at wholesale any telecommunications service that it provides at retail to subscribers who are not telecommunications carriers and may not prohibit, or impose any unreasonable or discriminatory conditions or limitations on the resale of such telecommunications service. Pursuant to Section 252(d)(3), the wholesale rates shall be determined on the basis of retail rates, excluding the

portion thereof attributable to any marketing, billing, collection and other costs that will be avoided by U S WEST.

Response: U S WEST has failed to meet its obligation to provide for resale at wholesale rates certain services that it provides to its retail subscribers. In addition, the rates established for resold services are arbitrary and do not comply with the requirements of Section 252(d)(3) of the Act. McImetro and U S WEST participated in a test for resale orders. After completion of the test, U S WEST was unable to properly transfer or disconnect test customers in Arizona. McImetro continues to have problems with these test customers, some of who still have not been transferred back to US WEST or disconnected as requested by the test customers.

The same monthly performance reports discussed in response to Checklist Item No. 1 are provided to determine resale provisioning of telecommunications services. There is very little data that allows MCIW determine if it received service that is at a level of quality at least equal to the level that it provides to itself.

BIFURCATION OF HEARING

Bifurcation of OSS and Non-OSS Issues

MCIW believes U S WEST's proposal is premature. Access to OSS is an essential part of access to UNEs, resale, and many other items as was conceded by U S WEST in its discussion of the various checklist items it provided for the conference call held on August 27, 1999. U S WEST's states that the FCC has specifically discussed OSS in relation to checklist items 2, 4, 5, 6, 11, and 14. The FCC has also stated that section 271 applications must be complete when filed, and may not be supplemented with new information. The sufficiency of U S WEST's OSS is essential to the viability of local competition and is a necessary predicate to section 271 approval.

For example, it is impossible to disaggregate consideration of the adequacy of U S WEST's OSS from non-discriminatory access to loops or LNP on a coordinated basis. It would be fruitless for the Commission and interested parties to embark on a time-consuming and extensive review of any 271 filing since the Commission would not have a complete record before it on which to evaluate U S WEST's satisfaction of all requirements of section 271.

Moreover, it makes little sense to conduct a hearing in December that may be completed many months before OSS testing is complete and a hearing is held on OSS issues. U S WEST's compliance with many of the checklist requirements depends upon its OSS compliance as U S WEST demonstrated in its letter addressing the 14-point checklist and where OSS was addressed by the FCC.

Holding a hearing on other issues so far in advance of an OSS hearing creates a risk that the Commission will be forced to make a recommendation to the FCC based upon a stale record. Likewise, any subsequent recommendation to the FCC would not be predicated on a full understanding of all matters bearing on U S WEST's 271 compliance. MCIW also objects to any attempt to break up consideration of such issues and believe it will waste resources and confuse the record

MCIW does not believe U S WEST's proposal is more efficient and will lead to more rapid consideration of your application, particularly for parties with fewer resources that are spread across many states, which includes MCIW. Bifurcation means parties will duplicate testimony preparation, travel and spend more time on two sets of testimony, two sets of hearings and more discovery. Splitting up the schedule will extend the entire process rather than expediting it. Additionally, an evaluation now would be necessarily preliminary and subject to change, as parties would obviously desire to provide additional information and adapt their

earlier conclusions once OSS testing is complete and the results are evaluated. Any review conducted prior to OSS test completion would have to be revisited once OSS test results are available.

MCIW believes that U S WEST must decide when its case is complete. U S WEST just recently filed a substantially revised SGAT in a parallel proceeding in Nebraska (including for instance, many new proposals on combinations of UNEs) as well as both revised and new performance measures. Prior to any new schedule being instituted here, these new proposals should be filed and considered. Moreover, MCIW understands that the FCC currently has scheduled action for mid-September on the remand of UNE definitions from the U S Supreme Court. All parties, including U S WEST, will require at least a few weeks to analyze and develop positions on the new rules. That should happen before any testimony is filed in Arizona. MCIW also understands that the 8th Circuit is also considering this fall the merits of TELRIC pricing and reinstitution of other FCC rules on access to interconnection and UNEs.

Bifurcation Schedule.

If the Commission elects to bifurcate the proceeding, the Commission should address Checklist Items 3, 7, 8, 9, 10, 12 and 13 in the non-OSS portion. The FCC has not specifically addressed OSS requirements with respect to these checklist items. MCIW believes that Checklist Item 1, 2, 4, 5, 6, 11 and 14 as well as performance measurements should be addressed in the OSS portion of the hearing. Although U S WEST implies that Checklist Item 1 has no OSS requirements, MCIW believes that ordering network elements via an OSS interface is establishing interconnection and interconnection points between the networks and is, therefore, appropriate for consideration in the OSS phase.

DATED this 3rd day of September 1999.

MCI WORLDCOM, INC.

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and

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CERTIFICATE OF SERVICE

I hereby certify that on this 3rd day of September, 1999, the original and ten copies of MCI WorldCom, Inc.'s Preliminary Statement of Position on 14-Point Checklist were sent via Airborne Express to the following:

Brian McNeil
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

A true and correct copy was sent via United States First Class Mail to all parties of record:

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